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Rebate cut from municipalities to be reconsidered

County committee agrees 25 percent too much

by Jeremy Arias | Staff Writer

Cities in Montgomery County may receive a reprieve from a proposal by County Executive Isiah Leggett that, if approved by the county council, would have withheld about \$1.9 million from municipal budgets countywide.

Members of the Montgomery County Council's Management and Fiscal Policy Committee moved Friday to lessen the proposed increase in money withheld from cities for fiscal 2011 in municipal tax rebates during a hearing attended by municipal leaders in Rockville.

Each year, cities in Montgomery County provide services within their borders such as road maintenance and police services, which are also taxed by the county, prompting rebates to be given out to the municipalities at the end of each year to compensate for the tax duplication. While County Executive Isiah Leggett (D) had already proposed cutting the rebates by 5 percent this year to help the county balance its own budget for fiscal 2011, additional shortfalls handed down by the state prompted him to deepen the proposed cut by 20 percent—for a total of 25 percent—last week.

County Councilwoman and fiscal policy committee chair Duchy Trachtenburg (D-At Large) of North Bethesda, sided with municipal leaders from, among other places, Takoma Park, Gaithersburg and Rockville, who testified before the committee Friday afternoon against deepening the cut.

"The consensus that I understand here on the committee is that we don't want to do the 25 percent reduction; ... we think it's too much," she said, speaking on behalf of fellow committee members Nancy Navarro (D-Dist. 4) of Silver Spring and Valerie Ervin (D-Dist. 5) of Silver Spring at the hearing.

Trachtenburg instead opted to place two items on the county council's reconciliation list to be discussed in regular council meetings next week. Each of the items would reduce the proposed 20 percent cut by 10 percent, so that, if the full county council votes to approve one of the items, municipalities would only face a 15 percent cut instead of the 25 percent proposed.

The council could also approve the second item, further reducing the cut to only the 5 percent originally proposed, but Trachtenburg seemed doubtful that such a move would be approved considering the county's tight fiscal situation.

"We'll see what happens, but it's going to be really hard to get you the whole 20 percent back," she told municipal representatives at the hearing, including Bruce Williams and Phyllis Marcuccio, the mayors of Takoma Park and Rockville, respectively.

The committee's decision directly opposed the recommendations of county staff, including Legislative Analyst Charles H. Sherer, who argued in favor of keeping the full 25 percent cut to rebates in place. Municipal leaders, including Kensington Mayor Peter C. Fosselman, applauded the committee's decision.

"I think it's a fair compromise, and I think it's apparent that the committee is sympathetic to the interests

of the cities here," he said following the meeting.

Fosselman is also the president of the Montgomery County Chapter of the Maryland Municipal League, an association of cities and towns that lobbies on behalf of municipal interests and generally represents municipalities before state legislators.

The chance at a reprieve from deeper cuts came as a breath of fresh air to the assembled municipal representatives. If the full 25 percent cut was approved, Takoma Park would face the most significant cut at \$600,000, followed closely by Rockville and Gaithersburg, according to Williams.

Many of the municipalities have already had to cut staff members and freeze wages before the 25 percent cut was proposed April 22.